

COMPANY REGISTRATION NUMBER: 12270706
CHARITY REGISTRATION NUMBER: 1189747

HQI Foundation
Company Limited by Guarantee
Unaudited Financial Statements
31 October 2023

HQI Foundation

Company Limited by Guarantee

Financial Statements

Year ended 31 October 2023

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HQI Foundation

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 October 2023

The trustees, who are also the directors for the purposes of company law, present their report and the unaudited financial statements of the charity for the year ended 31 October 2023.

Objectives and activities

HQI's stated aim has been to advance the arts through the provision of working space, facilities and equipment for musicians and other artists of merit; and to promote art for the benefit of the public through the presentation of lectures, performances and related events and provision of online educational information on the arts.

We offer research and development residencies to artists, some of whom are working in freelance commercial contexts. We recognise that the new terrain of working in England for young artists often means that creativity finds itself outside of traditional cultural contexts, i.e. in freelance commercial work. We feel compelled to reach out to these workers as much as conventional art practices, as we believe the creative minds of these practitioners should be engendered and supported.

Our R&D residencies hope that these creative workers' art practices can be opened up and explored outside of client-based work. The use of our spaces for free, and subsequent nominal fees, aim to support this, while still recognising the need for still pursuing commercial work. We hope that, by offering this kind of support across a spectrum of creative commerciality, the germination of ideas across traditional disciplines can be propagated.

HQI actively encourages, and seeks, applicants from the diverse range of backgrounds present in London. We hope to casualise often-daunting arts applications, by using social media, such as Instagram as a primary point of contact for new artists and host casual "chats" with prospective members and current members instead of interviews. We recognise the importance of access to people with disabilities and seek to improve our facilities' access for those with non-typical physical needs.

We recognise the importance of access to people with disabilities and seek to improve our facilities' access for those with non-typical physical needs. We also recognise the difficulties the current moment may present mentally for all members of our community and will be using the Arts Council funding for mental health first aid training for some regular members of the space.

Achievements and performance

This year we have continued to grow and develop our offerings. We welcomed 24 new artists-in-residence working across the fields of music, design, animation, literature, and jewellery; we offered 1,825 days of free studio time, equivalent to a total market value of £350,000; we hosted 12 public events featuring 25 leading artists, academics, and industry professionals; we were visited by over 700 members of the public; we grew our Instagram following to 4,585, creating over 105,000 social media impressions among 45,000 unique users; we invited 70 artist and designers to donate works, raising over £10,000 for Ukrainian relief organisations in response to the ongoing conflict; we were the chosen location for 4 music videos, 5 photoshoots, 6 music releases, and 1 magazine launch. This excludes the indirect impact and influence of HQI on the local economy, community, and careers of artistic residents.

This year has also seen the launch of the Television Centre Summer Sessions, a series of free arts and culture events hosted by local partners to invite local residents, workers, and visitors to deepen their engagement with the area and its creative community. HQI is proud to have been included as a core partner in the programme since its inception, designing the visual identity and associated marketing assets; curating a programme of artistic events; and delivering a series of screenings, artist markets, public talks, and music showcases. Creative talent is abundant in White City which we are proud to support and showcase. We hope that the initiative continues to grow and develop in future years, further establishing White City as one of London's foremost hubs for the creative industries.

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Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 October 2023

In November 2022, HQI launched phase two of Sounds Like Hammersmith and Fulham (SLHF), providing an alternative pathway for a new school of young artists and musicians to springboard into the creative industries. Our pilot project is a free, 10-month learning programme comprising talks, workshops, industry visits, screenings, and a residency programme for 12 outstanding intermediate-level musicians aged 18-25. The project is divided into three terms running through August 2023.

We hope that access to outstanding creative resources, infrastructure, and practitioners will incubate a new wave of creators and provide a lifeline to young artists navigating the challenges of establishing a sustainable creative practice in London. SLHF is delivered in partnership with the London Borough of Hammersmith & Fulham and the Mayor of London and is funded through the Cultural Impact Awards.

Financial review

At the completion of the financial year, HQI has been operating on funding received through government grants of £93,750, and income from other activities £51,409. A total of £143,465 is being spent on administration, event and project management expenses, while the major expense is consulting.

Furthermore, we have made significant savings on the purchase of multimedia arts equipment essential for the support of our residency programmes and performance space.

Reserves Policy

The trustees consider that the ideal level of reserves as of 31 October 2023 would be one month of resources expensed which is approximately £9,000.

The trustees are aware that the current reserves are less than the target figure and are actively pursuing sources of funding to ensure that there are sufficient reserves to provide financial stability and flexibility.

Structure, governance and management

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company (limited by guarantee) as defined by the Companies Act 2006.

Recruitment and appointment of new trustees

New trustees are appointed due to their interest in the work of the charity and their recognised experience in specific fields which will further support the work of HQI Foundation.

HQI is committed to diversity, in its organisational team and board of trustees, to better reflect our diverse cohort of residents and local community. When we expand our board of trustees, we will ensure to offer the position acknowledging this.

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Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 October 2023

Reference and administrative details

Registered charity name	HQI Foundation
Charity registration number	1189747
Company registration number	12270706
The principal office and registered office	Westworks Building 195 Wood Lane White City The Rotunda London W12 7FQ England
The trustees	Mostafa Abdi William Bagnall Richard Wilkins
Independent examiner	Gnanathiban Logarajah ACMA Jayan Accountants Ltd Chartered Management Accountants 43 Rasper Road London N20 0LU

Small company provisions

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption.

The trustees' annual report was approved on 29 August 2024 and signed on behalf of the board of trustees by:


William Bagnall
Trustee

HQI Foundation

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF HQI FOUNDATION

Year ended 31 October 2023

I report to the Trustees on my examination of the financial statements of HQI FOUNDATION (the charity) for the year ended 31 October 2023.

Responsibilities and basis of report

As the Trustees of the charity (and also its directors for the purposes of company law) you are responsible for the preparation of the financial statements in accordance with the requirements of the Companies Act 2006 (the 2006 Act).

Having satisfied myself that the financial statements of the charity are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the charity's financial statements carried out under section 145 of the Charities Act 2011 (the 2011 Act). In carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

I am qualified to undertake the examination because I am a member of the Chartered Institute of Management Accountants, one of the listed bodies listed in section 145 of the 2011 Act.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the charity as required by section 386 of the 2006 Act; or
2. the financial statements do not accord with those records; or
3. the financial statements do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination; or
4. the financial statements have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

I have no concerns and have not come across any other matters concerning the examination to which attention should be drawn in this report to enable a proper understanding of the financial statements to be reached.



G Logarajah ACMA, CGMA

Jayan Accountants Ltd
43 Rasper Road
London
N20 0LU
Dated: 29 August 2024

HQI Foundation

Company Limited by Guarantee

Statement of Financial Activities (including income and expenditure account)

Year ended 31 October 2023

			2023		2022
	Note	Unrestricted funds £	Restricted funds £	Total funds £	Total funds £
Income and endowments					
Charitable Activities	3	—	93,750	93,750	100,000
Charitable activities	4	50,609	800	51,409	15,432
Total income		<u>50,609</u>	<u>94,550</u>	<u>145,159</u>	<u>115,432</u>
Expenditure					
Expenditure on charitable activities	5,6	(23,518)	(119,947)	(143,465)	(101,902)
Total expenditure		<u>(23,518)</u>	<u>(119,947)</u>	<u>(143,465)</u>	<u>(101,902)</u>
Net income/(expenditure) and net movement in funds					
		<u>27,091</u>	<u>(25,397)</u>	<u>1,694</u>	<u>13,530</u>
Reconciliation of funds					
Total funds brought forward		(40,262)	41,084	822	(12,708)
Total funds carried forward		<u>(13,171)</u>	<u>15,687</u>	<u>2,516</u>	<u>822</u>

The statement of financial activities includes all gains and losses recognised in the year.
All income and expenditure derive from continuing activities.

The notes on pages 7 to 13 form part of these financial statements.

HQI Foundation

Company Limited by Guarantee

Notes to the Detailed Statement of Financial Activities

Year ended 31 October 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible fixed assets	10	19,909	31,721
Current assets			
Debtors	11	11,485	4,614
Cash at bank and in hand		11,879	6,427
		<u>23,364</u>	<u>11,041</u>
Creditors: amounts falling due within one year	12	40,757	41,940
Net current liabilities		<u>17,393</u>	<u>30,899</u>
Total assets less current liabilities		<u>2,516</u>	<u>822</u>
Net assets		<u>2,516</u>	<u>822</u>
Funds of the charity			
Restricted funds		15,687	41,084
Unrestricted funds		(13,171)	(40,262)
Total charity funds		<u>2,516</u>	<u>822</u>

For the year ending 31 October 2023, the charity was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476 of the Companies Act 2006;
- Ensuring that the charitable company keeps accounting records that comply with sections 386 and 387 of the Companies Act 2006 and
- Preparing financial statements which give a true and fair view of the state of affairs of the charitable company as of each financial year and its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to the financial statements, so far applicable to the charitable company.

These financial statements have been prepared in accordance with the provisions applicable to companies' subject to the small companies' regime.

These financial statements were approved by the board of trustees and authorised for issue on 29 August 2024, and are signed on behalf of the board by:



William Bagnall
Trustee

HQI Foundation

Company Limited by Guarantee

Notes to the Detailed Statement of Financial Activities

Year ended 31 October 2023

1. Accounting Policies

Basis of preparation

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Incoming resources

Income is recognised when the charity has an entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received, and the amount can be measured reliably.

Income from grants, trusts and foundations is recognised when the charity has an entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably. Grant income received in advance is deferred and released in the financial year to which it relates.

Resources expended

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

HQI Foundation

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Notes to the Detailed Statement of Financial Activities

Year ended 31 October 2023

Expenditure

Liabilities are recognised as expenditures as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accrual basis and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Charitable activities

Charitable activities comprise those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Governance costs

Governance costs comprise those costs associated with meeting the constitutional and strategic requirements of the charity and the accountancy fees and costs linked to the strategic management of the charity.

Allocation and apportionment of costs

Overhead and support costs relating to charitable activities have been apportioned based on usage.

Taxation

HQI Foundation is a registered charity and, therefore, is not liable to income tax or corporation tax on income derived from its charitable activities or tax on capital gains, as it falls within the various exemptions available to registered charities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees. Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes. Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Cash at bank and in hand

Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition. Deposits for more than three months but less than one year have been disclosed as short-term deposits.

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Notes to the Detailed Statement of Financial Activities

Year ended 31 October 2023

Tangible assets

Tangible fixed assets are carried out at cost less accumulated depreciation and accumulated impairment loss.

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life

Fixtures and fittings	- 33% straight line
Equipment	- 33% straight line

Government grants

Government grants are recognised at the fair value of the asset received or receivable. Grants are not recognised until there is reasonable assurance that the charity will comply with the conditions attached to them and the grants will be received.

Where the grant does not impose specified future performance-related conditions on the recipient, it is recognised in income when the grant proceeds are received or receivable. Where the grant does impose specified future performance-related conditions on the recipient, it is recognised in income only when the performance-related conditions have been met. Where grants received are prior to satisfying the revenue recognition criteria, they are recognised as a liability.

2. Limited by guarantee

The company is limited by guarantee and does not have a share capital. Each member's guarantee is limited to £1.

3. Charitable activities

	Unrestricted Funds £	Restricted Funds £	Total Funds 2023 £
Grants			
Government grant income	—	93,750	93,750
	<u>—</u>	<u>93,750</u>	<u>93,750</u>
	<u>—</u>	<u>93,750</u>	<u>93,750</u>
	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £
Donations			
Donations	—	—	—
	<u>—</u>	<u>—</u>	<u>—</u>
Other Income	—	—	—
	<u>—</u>	<u>—</u>	<u>—</u>
Grants			
Government grant income	—	100,000	100,000
	<u>—</u>	<u>100,000</u>	<u>100,000</u>
	<u>—</u>	<u>100,000</u>	<u>100,000</u>

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Notes to the Detailed Statement of Financial Activities

Year ended 31 October 2023

4. Charitable activities

	Unrestricted Funds £	Restricted Funds £	Total Funds 2023 £	Total Funds 2022 £
Event host income	49,865	800	50,665	11,389
Other income	744	—	744	4,043
	<u>50,609</u>	<u>800</u>	<u>51,409</u>	<u>15,432</u>

5. Expenditure on charitable activities by fund type

	Unrestricted Funds £	Restricted Funds £	Total Funds 2023 £
Event and project management costs	2,758	33,081	35,839
Rent	3,000	14,983	17,983
Rates and water	1,181	4,723	5,904
Repairs and maintenance	4,412	5,084	9,496
Insurance	348	872	1,220
Motor/travel costs	31	286	317
Legal and professional fees	1,215	31,612	32,827
Other office costs	1,553	2,824	4,377
Depreciation	2,794	13,756	16,550
Security	370	860	1,230
Accountancy Fees	924	2,544	3,468
Bank Charges	357	-	357
Contractors	(441)	1,800	1,359
Food and Beverages	315	220	535
Event Photography	600	1,269	1,869
Fundraising and marketing	934	4,009	4,943
Storage	1,856	-	1,856
Software and website	1,311	2,024	3,335
	<u>23,518</u>	<u>119,947</u>	<u>143,465</u>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £
Arts studio facilities	25,973	75,929	101,902

6. Expenditure on charitable activities by activity type

	Activities undertaken directly £	Total funds 2023 £	Total fund 2022 £
Arts studio facilities	<u>143,465</u>	<u>143,465</u>	<u>101,902</u>

HQI Foundation

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Notes to the Detailed Statement of Financial Activities

Year ended 31 October 2023

7. Net income/(expenditure)

Net income/(expenditure) is stated after charging/(crediting):

	2023 £	2022 £
Depreciation of tangible fixed assets	<u>16,550</u>	<u>10,563</u>

8. Staff costs

The total staff costs and employee benefits for the reporting period are analysed as follows:

The average headcount of employees during the year was Nil (2022: Nil). The average number of full-time equivalent employees during the year is analysed as follows:

	2023 No.	2022 No.
Trustees	<u>3</u>	<u>3</u>

No employee received employee benefits of more than £60,000 during the year (2022: Nil).

9. Trustee remuneration and expenses

There were no trustee's remuneration or other benefits for the year ended 31 October 2023 nor for the year ended 31 October 2022.

There were no trustees' expenses paid during the year ended 31 October 2023 nor for the year ended 31 October 2022.

10. Tangible fixed assets

	Fixtures and fittings £	Equipment £	Total £
Cost			
At 1 November 2022	2,169	44,193	46,362
Additions	<u>—</u>	<u>4,738</u>	<u>4,738</u>
At 31 October 2023	<u>2,169</u>	<u>48,931</u>	<u>51,100</u>
Depreciation			
At 1 November 2022	1,043	13,598	14,641
Charge for the year	<u>723</u>	<u>15,827</u>	<u>16,550</u>
At 31 October 2023	<u>1,766</u>	<u>29,425</u>	<u>31,192</u>
Carrying amount			
At 31 October 2023	<u>403</u>	<u>19,506</u>	<u>19,909</u>
At 31 October 2022	<u>1,126</u>	<u>30,595</u>	<u>31,721</u>

HQI Foundation

Company Limited by Guarantee

Notes to the Detailed Statement of Financial Activities

Year ended 31 October 2023

11. Debtors

	2023	2022
	£	£
Trade debtors	10,436	140
Prepayments and accrued income	-	1,090
Other debtors	1,049	3,384
	<u>11,485</u>	<u>4,614</u>

12. Creditors: amounts falling due within one year

	2023	2022
	£	£
Trade creditors	3,104	5,530
Accruals and deferred income	2,002	2,554
Other creditors	35,651	33,856
	<u>40,757</u>	<u>41,940</u>

13. Government grants

The amounts recognised in the financial statements for government grants are as follows:

	2023	2022
	£	£
Recognised in income from donations and legacies:		
Government grants income	<u>93,750</u>	<u>100,000</u>

HQI Foundation

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Notes to the Detailed Statement of Financial Activities

Year ended 31 October 2023

14. Analysis of charitable funds

Unrestricted funds

	At 1 November 2022	Income	Expenditure	At 31 October 2023
	£	£	£	£
General funds	(40,262)	50,609	(23,518)	(13,171)

	At 1 November 2021	Income	Expenditure	At 31 October 2022
	£	£	£	£
General funds	(29,721)	15,432	(25,973)	(40,262)

Restricted funds

	At 1 November 2022	Income	Expenditure	At 31 October 2023
	£	£	£	£
Restricted Funds	41,084	94,550	(119,947)	15,687

	At 1 November 2021	Income	Expenditure	At 31 October 2022
	£	£	£	£
Restricted Funds	17,013	100,000	(75,929)	41,084

15. Related parties

As of 31 October 2023, HQI Foundation owed a balance of £15,400 to Bazooka Search Limited (2022 - £25,000).

Bazooka Search Limited is a related party of the HQI Foundation.

During the year, HQI Foundation provided services amounting to £28,000 to Bazooka Search Limited.

As of 31 October 2023, HQI Foundation owed a balance of £702 to HQI Studio Ltd (2022 - Nil).

HQI Studio Ltd is a related party of the HQI Foundation

As of 31 October 2023, HQI Foundation owed a balance of £8,856 to Secret Technology Ltd (2022 - £8,856).

Secret Technology Ltd is a related party of the HQI Foundation.